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United States General Accounting Office
Washington, DC 20548

March 3, 2003

The Honorable Duncan L. Hunter
Chairman
The Honorable Ike Skelton
Ranking Minority Member
Committee on Armed Services
House of Representatives

This letter confirms our commitment to study DOD's oversight of the TRICARE civilian provider network based on the mandate contained in Section 712 of the 2003 National Defense Authorization Act. Based on discussions with your staff, Mr. John Chapla (majority) and Ms. Debra Wada (minority), on February 19, 2003, we will complete our work and issue a written product to you by July 31, 2003. The enclosure sets forth the understanding reached with your staff and the Senate staff on the key aspects of the study.

We look forward to working with you and your staff on this assignment. Should you have any questions, please contact me at (202) 512-7101 or Kristi Peterson, Assistant Director, at (202) 512-7951.

A similar letter has been sent to the Honorable John Warner, Chairman, and the Honorable Carl Levin, Ranking Minority Member, Senate Committee on Armed Services.

Marjorie E. Kanof
Director, Health Care—Clinical
And Military Health Care Issues

Enclosure

Terms of the Work

Objectives/Key Questions

(1) How does DOD oversee the TRICARE civilian provider network? (2) How well does DOD oversee the adequacy of the TRICARE civilian provider network? (3) What factors may contribute to potential network inadequacy or instability?

Scope & Methodology

(1) We will interview officials from TRICARE Management Activity (TMA) and five regional lead agents, who are responsible for ensuring provider network oversight. We will document access standards & other requirements related to provider adequacy and compare them to private sector practices. (2) We will assess the tools DOD and the contractors use to measure the adequacy of the networks, including the quarterly network adequacy reports. We will also assess DOD's monitoring of contractor compliance with the established DOD standards. We will discuss network management with the four civilian contractors, who are responsible for developing and maintaining adequate provider networks. We will analyze beneficiary satisfaction surveys, noting any limitations in the survey instrument. (3) We will identify possible factors contributing to network inadequacies or instabilities through the analysis of provider satisfaction surveys and contractor records of reasons for provider termination. In analyzing the survey data, we will note limitations due to low survey response rates, differing methods of conducting the surveys, and incomplete geographic coverage. We will review the steps DOD and contractors have taken to address the possible factors contributing to network inadequacies. We will interview representatives from the American Medical Association (AMA), the Military Officers Association of America (MOAA) and other groups to discuss provider and beneficiary issues. Because of the lack of reliable data, we will not be able to make an independent assessment of the adequacy of the TRICARE civilian provider networks. Our work will be done in accordance with Generally Accepted Government Auditing Standards (GAGAS).

Product Type/Product Delivery Date

We will issue a written product by July 31, 2003. We will obtain comments from the Department of Defense on a written draft of this product prior to issuance.

Reporting on Job Status

We will provide periodic status updates to your staff during the job process.